



VILNIUS GEDIMINAS TECHNICAL UNIVERSITY
FACULTY OF BUSINESS MANAGEMENT
DEPARTMENT OF ECONOMICS AND MANAGEMENT OF ENTERPRISES

Aistė Dulkytė

**THE INTEGRATION OF CORPORATE SOCIAL RESPONSIBILITY INTO
CORPORATE STRATEGY**

SOCIALINĖS ATSAKOMYBĖS INTEGRACIJA Į ĮMONĖS STRATEGIJĄ

Master's degree Thesis

Business Management study program, state code 621N10004

International Business specialization

Business study field

Vilnius, 2014

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OBJECTIVES FOR MASTER THESIS

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THE OBJECTIVES:

1. To define the challenges of CSR development and benefits of CSR to the organization.
2. To perform a review on theories of CSR approaches toward corporate strategy.
3. To perform empirical analysis on CSR integration into corporate strategy by employing methods.

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Annotation

In this master thesis is going to be considered how the CSR is implemented into company's activities and strategy as well the benefits of CSR for companies, employees, clients and partners are analyzed. The center of attention is on the CSR integration. There are numerous studies emphasize on the antecedents and post internationalization behavior while there is not much study to indicate the actual mechanism of CSR integration into company's strategy. To gather data for the research analysis were chosen sources as primary and secondary data. Primary data: the information that was gathered in the research are based on individually responds. The interviews were got from respondents by emails one on one. Secondary data: The information was collected from web sources about CSR situation in selected countries. In the end of this thesis there are given suggestions in order to increase efficiency of CSR implementation into corporate strategy.

Structure: introduction, theoretical overview, research, conclusions and suggestions, references.

Thesis consist of: 64 p. text without appendixes, 6 pictures, 12 tables, 42 bibliographical entries.

Keywords: ...Corporate Social Responsibility, international, implementation, strategy, integration, benefits, commitment, human rights, environmental issues, marketing image, legal requirements, countries.

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Pavadinimas Socialinės atsakomybės integracija į įmonės strategiją

Autorius **Aistė Dulkytė**

Vadovas doc. dr. **Rasa Smaliukienė**

Kalba

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Anotacija

Baigiamajame magistro darbe nagrinėjama kaip Socialinė Atsakomybė (CSR) yra diegiama į įmonės strategiją. Taip pat yra aptariama, kokius privalumus CSR suteikia įmonėms, jos darbuotojams, klientams bei partneriams. Dėmesio centre yra CSR diegimas į įmonės strategiją. Yra atlikta daug tyrimų, tačiau nėra apibrėžto aiškaus mechanizmo, kaip CSR integruoti į įmonės strategiją. Atliekant tyrimą buvo naudojama pirminiai bei antriniai duomenys. Pirminiai duomenys sudaro CSR specialistų iš skirtingų pasaulio valstybių atsakymai į klausimyną apie CSR diegimą į įmonės strategiją. Antriniai duomenys buvo surinkti interneto naršyklėje, apie pasirinktų 8 pasaulio valstybių pasiekimus CSR integracijos į verslą srityje.

Darbą sudaro 5 dalys: įvadas, literatūros apžvalga, tyrimas, išvados ir siūlymai, literatūros sąrašas.

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Prasminiai žodžiai: Socialinė atsakomybė, tarptautinis, diegimas, strategija, integracija, privalumai, įsipareigojimai, žmonių teisės, aplinkosauga, įmonės įvaizdis, teisiniai reikalavimai, valstybės.

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**DECLARATION OF AUTHORSHIP
IN THE FINAL DEGREE PROJECT**

2014 05 21

(Date)

I declare that my Final Degree Project entitled _____The Integration of Social
Responsibility into Corporate Strategy
is

entirely my own work. The title was confirmed on ____2012 11 23_ by Faculty Dean's order
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No. ____408vv____. I have clearly signalled the presence of quoted or paraphrased material
and referenced all sources.

I have acknowledged appropriately any assistance I have received by the following
professionals/advisers:

The academic supervisor of my Final Degree Project is __dr._Rasa Smaliukienė____. .

No contribution of any other person was obtained, nor did I buy my Final Degree Project.

(Signature)

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LIST OF ABBREVIATION

CSR – Corporate Social Responsibility

CA – Competitive advantage

RBV – Resource based view

OSA – Organization's Social Responsibility

PPMI – Public Policy and Management Institute

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INTRODUCTION

The relevance of the theme. Over the last decade, corporate social responsibility (CSR) has become one of the most debated concepts in business, science and society in the world. Its demand has increased with respect to the evolution of the company and its goals. The majority of scientists believe that CSR will be the dominant theme in the future.

The increasing importance of CSR in business processes, the business organizations need to redefine their role and mission as well to change the operation ways. CSR can be used as a creative business response to new problems and challenges. Implementation of CSR is particularly important from several points of view: concerning the external environment of company and the moral status of society. CSR overviews the voluntary wish of the company to address nowadays social problems and needs. About the organization strategic management interfaces with social responsibility requires a constant discussion, as well analyse the opportunities for organizations and management strategy to include CSR elements into strategy and establish CSR principles.

Strategic issues and strategic goals can only be achieved by focusing on new strategic opportunities and consistent their realization. The necessary condition is constructive interaction with the environment and various interest groups. Therefore, the organization taking into account stakeholder views and needs and social change should provide its strategy and social goals implementing CSR principles and ideas.

CSR definition, theoretical models, implementation CSR into strategy is the great interest in various research papers. D. Silberhorn, R. Warren (2007) analyzed corporate social responsibility definitions concerning the view from big companies in German and United Kingdom. The authors found out that CSR is now presented as a comprehensive business strategy, arising mainly from performance considerations and stakeholder pressure. J. Galbreath (2009) described the building corporate social responsibility into strategy. The author's research demonstrates that analyzing CSR in the context of company strategy is possible and increasingly necessary for developing competitive advantage of the company.

Concerning the issues above it can be stated that scholars and scientists analyzed CSR in relation to the role of business in society and the nature of company's social responsibility. The nowadays trends analyses CSR more in relation with overall company's strategy.

The object of the paper is CSR building into strategy.

The purpose of the paper is to explore how CSR can be effectively built into corporate strategy.

The following tasks are formed:

4. To define the challenges of CSR development and benefits of CSR to the organization.

5. To perform a review on theories of CSR approaches toward corporate strategy.
6. To perform empirical analysis on CSR integration into corporate strategy by employing methods.

The methods: conceptual discussion and systematical development of means CSR incorporation into strategy, the questionnaires, statistical data analysis.

The structure of the paper: the paper consists of 2 main parts: theoretical and empirical. The theoretical part reveals the concept of CSR, analyses the benefits of CSR to company, as well theories of CSR approaches to strategy is described. The empirical part provides the methodology, research results and the prospects of CSR building into company's strategy.

1. CORPORATIVE SOCIAL RESPONSIBILITY THEORETICAL APPROACH

1.1. The concept of corporate social responsibility

Over the last decade, corporate social responsibility (CSR) has become one of the most debated concepts in business, science and society in the world. Its demand has increased with the respect to the evolution of the company and its goals. The majority of scientists believe that CSR will be the dominant theme in the future. However, CSR concept is no longer so new. Therefore, it is important to analyze the evolution of CSR theories, the concept and its boundaries.

1 Table. The concept of CSR in various literature. Source: formed by the author according to literature references.

Author	Concept
Marsden, 2001	Corporate social responsibility is about the core behavior of companies and the responsibility for their total impact on the societies in which they operate.
Lea, 2002	CSR is about the business and other organizations going beyond the legal obligations to manage the impact they have on the environment and society.
Banarjee, 2008	Corporate social responsibility is a form of corporate self-regulation integrated into a business model.
Tewari, 2011	Corporate social responsibility - a voluntary corporate from efforts to incorporate social and environmental challenges to their overall business activities and relationships with stakeholders.

The analysis of provided CSR concepts revealed that all the authors the corporative social responsibility understand quite similar, but different definitions of specification are provided. According to provided concepts it is therefore possible to form such CSR definition: Corporate Social Responsibility - the entrepreneurial attitude to taking responsibility for their actions in business and positively influenced society in the social, economic and environmental aspects. This definition is taken as basis for the thesis.

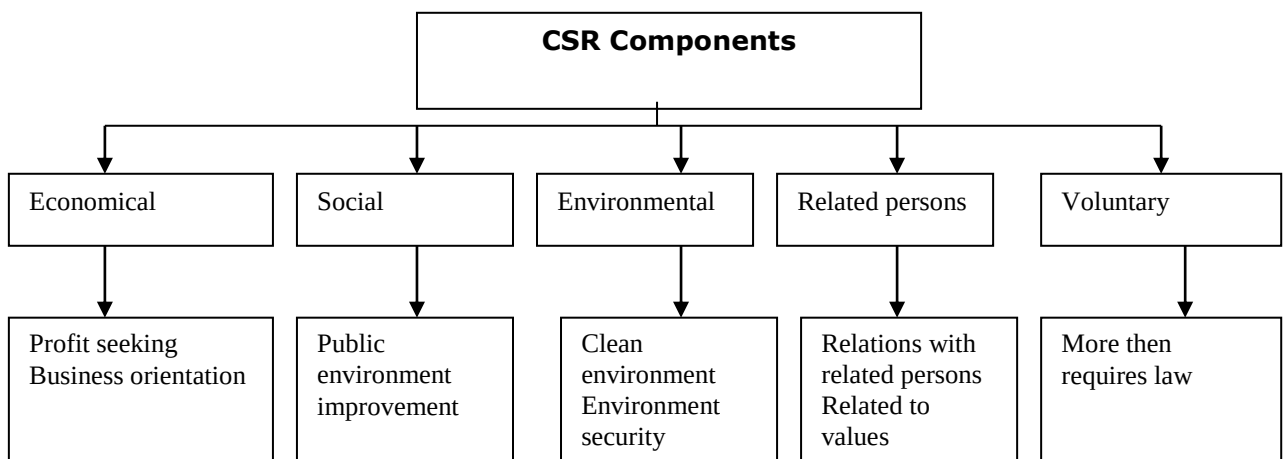
This definition includes companies that choose to go beyond the minimum legal requirements and obligations seeking to meet growing social needs. Because different sizes

companies, being socially responsible and in cooperation with its shareholders can help reconcile economic, social and environmental safeguards.

J.T. Mahoney (2005) perceives CSR as a corporate social, environmental and economic goal of integration into the company's values, culture, decision making, strategy and operational approach.

Under M.S. Schwartz, A.B. Carroll (2003), CSR reflects the economic, legal, ethical and philanthropic expectations of society. According to this definition CSR covers four different activities. "CSR can be defined as business practices based on ethical values and respect of employees, the community and the environment" (Dahlsrud 2006: 19).

Some authors analyzing the concept of CSR describes the main components which reflect the concept features (Figure 1):



1 Figure The CSR components (Dahlsrud 2006: 20)

As can be seen from the data presented in Figure 1, the definition of CSR is linked to the economic objectives such as profit, social such as improvement of the public environment, the environment - to maintain and preserve the environment, the persons involved - the businesses rely on ethical values, voluntary basis - to carry out more than is required by law.

The traditional division of social responsibility activities, according to Jamal (2007), Thorne, Ferrell, Ferrell (2008):

- Economic responsibility: ensure stakeholders gain a good job from staff, quality products to customers;
- Legal liability: it ensures compliance with the legal requirements;
- Ethical Responsibility: refers to what is equitable, fair;
- Philanthropic responsibility refers to voluntary work for the public (business organizations are investing time and money for social projects).

Social division of responsibility within the organization activities, its objectives (the distribution of the relevant activities targeting) according to Jamal (2007):

- Ethical responsibility: a responsible business organization's economic, legal, ethical responsibility implementation;
- Altruistic responsibility, philanthropic organization's liability, without putting financial benefit of business in the first place;
- Strategic responsibility: the organization's position according to Hemphill (2004).

“Corporate social responsibility is often referred to as an organization and identification of its activity. Organization's social responsibility is defined as a business organization voluntarily assumed responsibility for the environmental (external) environmental factors” (Crouch 2006: 87). Corporate social responsibility is defined as an organization and public relations, which reveal the organization's impact on individuals and the community. Corporate social responsibility in the organization refers to the whole concept of action in which the organization seeks to establish and maintain a relationship with all interested groups. Such an understanding of corporate social responsibility analysis shows the concept of latitude for interpretation, which is particularly revealed in the analysis of different authors, investigating the social responsibility aspects of the intended meaning and interpretation.

1.2. Corporate Strategy

There are four key aspects of corporate strategy:

1. The first has to do with the *strategic management of the current set of businesses in the company's portfolio* and the allocation of resources among them.
2. The second related aspect is the *creation of shareholder value* through corporate strategy.
3. The third aspect has to do with the *realization of synergies across businesses* and the identification and management of direct linkages between businesses.
4. The fourth aspect is the *strategy of diversification*, whether through acquisition or internal development.

When firms adopt similar business strategies in different lines of business, they have adopted what we might term a *generic* business strategy across all their businesses.

Using generic strategies to build a corporation from a variety of businesses implies the cloning of an original strategy onto new businesses. This, of course, is only one means of extending the boundaries of the corporation into new domains. To the extent that a corporation expands by building upon a core business and the set of skills embodied in that business, we can say that it is

realizing synergies across its businesses. Access via Internet
<<http://faculty.darden.virginia.edu/bourgeoisj/files/Chapter%206.html>>

According Monitor Deloitte official website „Corporate strategy is about enabling an organization to achieve and sustain superior performance by overcoming business challenges, understanding industry trends and linking tangible actions to a clear corporation vision. Whether it’s pursuing growth, delivering innovation, driving efficiencies or improving profitability, companies need strategies they can implement and deliver to drive successful outcomes.“ Access via Internet <http://www.deloitte.com/view/en_ca/ca/services/consulting/strategy-and-operations/corporate-strategy/index.htm>

1.3. The CSR benefits to organization theories

The debate on CSR in the past seventh, eighth decades has caused quite a negative reaction to neoclassical school. One of its leaders, Nobel Prize winner M. Friedman (1962, 1970), based on neoclassical theory of firms and in the context of the sixties developed the theory of agency said that the CSR program is a waste of company resources and time. “Agency theory promoters were convinced that CSR funds are much more useful and can be used to add value to the company or be returned to shareholders” (Milton 2010: 65). According to their opinion, CSR program is only useful for managers who seek career or other personal goals.

An important stage of research on CSR has become interested (called stakeholders) groups, the theory’s evolution and spread. The theory was elaborated in 1984 by R. Freeman. He modified the traditional corporation income - output model, which conceded only four groups of participants who are directly linked to the activities of the company: investors, employees, suppliers and customers. R. Freeman, on the basis of Ch. Barnard (1938) assertion about the impact of incentives for business, significantly expanded the list of interested groups and assigned them to government authorities, political factions, trade unions and their associations, environmental, consumer and human rights activists, community residents and other interested groups. Freeman (1984) was confident that business leaders must look not only to the shareholders or owners, and any other public interest groups.

“Stakeholder’s theory recognizes the CSR importance and necessity of costs related to this responsibility. Although CSR is not related to the direct financial benefits, but the stakeholders support for creating a favorable environment to exist and the company has a positive impact on its results. Identification and assessment of the composition of stakeholder groups, their relationships, responsibilities companies can better focus on your environment, formulate and implement their strategies” (Cummings, Doh 2000: 86).

Identification of stakeholders and determination of their effect on the establishment's activities (especially since it is a quantitative measure) is not easy. R. Michell B. Agle and D. Wood has proposed three principles of stakeholder assessment model:

- “The principle of power: the power of what a particular group is interested (or can acquire it) to influence the implementation of its business?
- The principle of legality is whether the actions of this group is legitimate and whether they are in the public preferred, corresponding to its total recognized norms, values and limitations?
- The principle of urgency: the urgent need to respond to the problem posed by interested groups?” (Michelle, Agle, Wood 1997: 29).

Based on a combination of the above principles, the authors identified eight special interest groups.

For CSR validity confirmation its supporters were seeking in interpretation of the arguments and explaining in their own way accepted theory. A number of comments received by T. Jones (1995), where the author by developing the theory of corporate interest groups, social activities to justify attempts to link the traditional neoclassical economic assumption prevailing corporate governance concepts and modern ethics.

It should be noted, that such a synthesis was not only the social corporate functions and support costs, but also the pursuit of an instrumental construct a model useful for practical business activities. T. Jones (1995) argued that the modern corporation and its environmental relationships characterized by three key managerial and economic characteristics:

- business contracts through the system maintains relationships with stakeholders rather see figure;
- in many cases, companies run by professional managers employed at various levels;
- The company operates in markets where competitive pressures will inevitably affect corporate behavior, but the competition is not necessarily when absent from the most effective treatment.

However, not all researchers, corporate social responsibility linked to economic benefits. L. Donaldson and J. Davis (1991) formed management theory (stewardship) proclaimed that the business leaders have a moral obligation to act properly and responsibly, regardless of their financial decisions expediency.

Sometime later, T. Donaldson, L. Preston (1995) emphasized on moral and ethical aspects of corporate social responsibility, stakeholder groups by identifying a normative theory, which formulated the moral and philosophical leaders of corporations operating guidelines. They

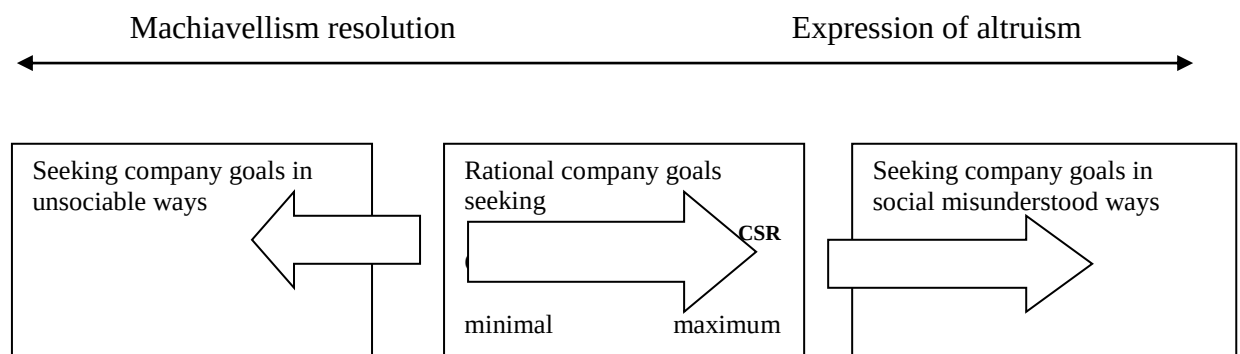
also suggested descriptive stakeholders' prominence theory, which analyzed the conditions under which the partners of the enterprise environment can be treated as an interested group.

Despite the popularity of the theory of stakeholder groups, this theory, however, did not receive unconditional acceptance and has been criticized from both theoretical and empirical aspects. O. Williamson (1993) argued that companies are having trouble their heads too gives weight to the interests of affected groups. This is a distortion of the direct shareholders (owners) and external link management. With that view in full agreement stakeholder theory categorical opponent O. Sternberg (1997) notes that this theory entirely inconsistent with legitimate business purposes and destroying the essential property rights, caused by erosion of corporate real responsibility.

Analyzing CSR benefit to the organization in Friedman (1998) and Hayek (2002) books, authors are looking at business approaches where it is possible to identify CSR benefits. There are two approaches to the business:

1. The only objective theory - in which the action must be aimed solely at profit maximization;
2. Many objectives theory - in which the organization must be socially sensitive to the external environment needs.

The only objective theory states that the business should be directed to only one objective - profit maximization. It is estimated that businesses are profit-making organizations and their objective is to maximize profits, this approach has alleged that be socially responsible company means less profits, because some of the profits to be social activities. Social problems should take care of the social non-profit organizations. Many of the objectives theory representatives give the opposite view - the company must take care needs of society, because they are themselves part of society. CSR in the long term helps companies maximize profits, gain customer loyalty and expand business.



2 Figure CSR expression in company (Jonker, Marberg 2007: 112)

According to Jonker and Marberg (2007), CSR model may suggest that the ideal way of implementing business formation is positively valued, but it must lie within the public awareness and understanding of the limits, so that the implementation of social responsibility to the public in comprehensible ways to push the organization to become marginal. In this case, marginal organization should be interpreted as a socially misunderstood, but the social environment-friendly society. On the other hand, a complete break with the organization's social and environmental objectives of socially irresponsible activities leads to social exclusion. Examples of such organizations are organizations that receive profit laundering in performance-based. Thus, it can be argued that corporate social responsibility is the exclusion and marginality. The company's activities are rational only when the public perception of corporate social responsibility. Beyond the threshold of perception, even if it is done on a benevolent basis, the company remains misunderstood to the public, which is not yet ready to understand and support the company a step forward. All submitted social responsibility is reflected in its links with other stakeholders, which allows a more objective assessment, of which the company has the greatest impact and which need attention.

Social responsibility is particularly important for small and medium-sized enterprises, which operate in local markets. Their earnings are highly dependent on how they are evaluated in public. Small businesses operating in the local area and with a stable customer must take care of their needs and strive to maintain the best possible relations.

1.4. Theoretical models of CSR approaches toward corporate strategy

In this section we examine the rationale behind the new model, its basic components, our underpinning assumptions, and how the model can be applied to the pharmaceutical industry. We turn first to the rationale for the model. Rationale for the new model calling for a new conceptual framework, Freeman (1984) noted how local, national, and global issues and groups were having far-reaching impacts on organizations and causing turbulence (specifically increased levels and types of change) with the result that the then available paradigms were not sufficient. Nearly 25 years later, such claims are still relevant. There are compelling reasons for taking external change into account when developing business strategy. The challenge for management remains to be able to separate the 'real' and 'important' changes from the 'trivial' in the external environment. Business managers also need to be able to analyze, prioritize, and engage with their stakeholders. Although much appears to have altered in business responses to the CSR challenge over the course of several decades, it might be argued that further modifications are required in how all stakeholders (including the company's individual managers) perceive the external and internal environment. In other words, the call for a new conceptual approach is still valid today.

The new model proposed here is designed to counteract some of the perceived inadequacies identified in existing theoretical approaches discussed above. The literature review suggests that theoretical models are, as yet, underdeveloped with regard to CSR and stakeholder dialogue (Cropanzano et al. 2004: 109; Murray and Vogel 1997: 141; Saravanamuthu 2001: 295). Freeman (1984) for example, argues that there is a need for conceptual schemata that analyses, in an integrative fashion, the external environmental forces (including the complex interconnections between economic and social forces). This clearly points to the need for a framework or model that might help to fill these gaps (O’Riordan and Fairbrass 2006: 56).

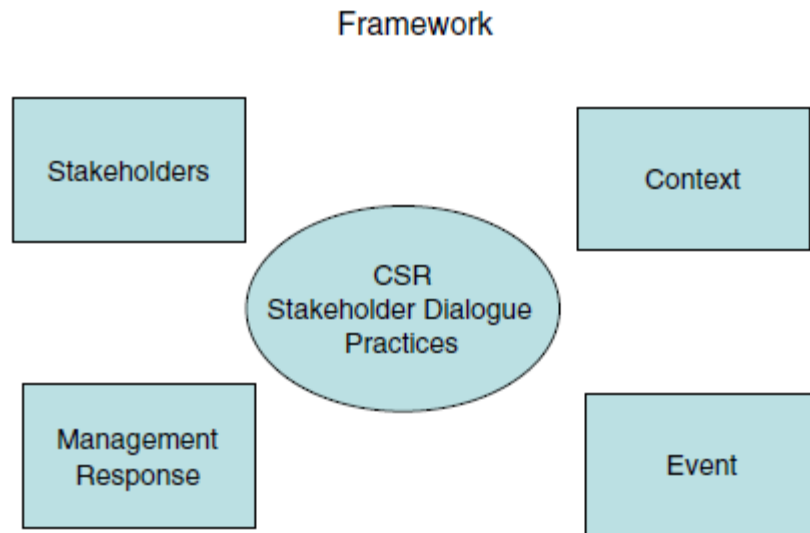
Whilst the existing models referred to above are useful for addressing isolated questions about CSR and stakeholder dialogue, they inherently fail to serve CSR strategists in a comprehensive, all-inclusive, structured, yet practical way. Thus, the framework proposed in this paper contains concepts, elements, and processes, to specifically address some of the gaps that were explicitly identified. Accordingly, the model includes the following additional elements:

- a method for managing a firm’s social environment, and more specifically its positioning within that environment;
- a clear and phased approach for undertaking CSR strategy to develop CSR practices;
- an approach for prioritizing stakeholders;
- An all-encompassing approach for effective communication within the stakeholder relationship.

“We contend that the new model has merit for a number of reasons. It can be employed to assist a company in its quest for competitive advantage (i.e. value added or the pursuit of increased profitability) in three ways. First, the model can serve as a graphical discussion platform to aid communication of ideas and identify potentially relevant factors, their strengths and linkages in the complex field of strategy development. Second, it could help to increase a firm’s credibility among its key stakeholders by examining in a comprehensive manner the likely effects of any planned business behavior. Third, it allows managers to more clearly identify likely risks with the potential benefit of being able to pre-empt them. Accordingly, the proposed model highlights certain important factors that might significantly influence stakeholders’ acceptance of the behavior of a firm and so be helpful in benefiting the firm. The fundamental idea here is not manipulation or exploitation of the context or situation in which the firm operates, but a subtle and nuanced assessment of the most effective balance between the firms’ need to generate profit objective with that of achieving the ‘least harm’ or ‘most good’ in society” (Porter 1985: 110).

The alternative framework presented in this paper attempts to portray those factors that we treat as the determining factors in relation to effective stakeholder dialogue. It is designed to be

worked through in separate but interlinked phases which allow business executives to methodologically, and systematically address the entire CSR stakeholder dialogue decision making process in one all-inclusive structured approach.



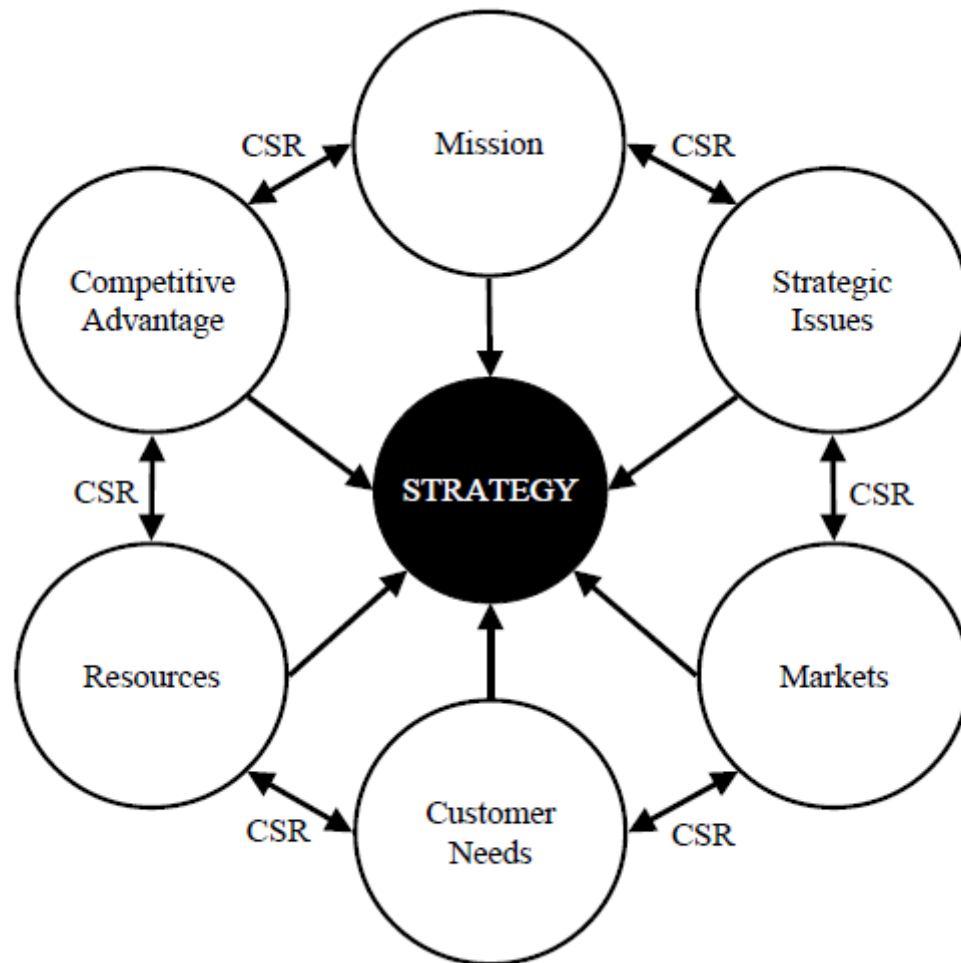
3 Figure Overview of circumstantial domains (O’Riordan 2006: 16)

The alternative model proposed here is a framework which identifies a series of four connected domains (Figure 3) that depict the ‘landscape’ or determinants of stakeholder power which require consideration when devising CSR strategy and stakeholder dialogue practices. As discussed above this builds on some of the critical issues and elements of CSR and stakeholder dialogue already identified through the literature review process. In constructing a systematic and comprehensive approach to CSR and stakeholder dialogue, we contend that it is essential to identify and evaluate the context in which firms and their stakeholders operate, the significance of particular events (such as the release of a new potentially life-saving drug or the revelation in the press that a particular firm has made ‘excessive’ profits), the nature of the stakeholders themselves, and the potential or actual management response to these factors or determinants.

1.5. Building CSR into strategy

Strategy serves as a foundation for a business firm’s creation, while establishing its position in the market, its competitiveness and its on-going existence. To achieve these aspects, planning/programming is required in order to craft or formulate and renew/change strategy as conditions warrant (Andrews 1971: 25; Steiner 1979: 89; Mintzberg 1987: 56). This planning/programming largely takes place within the context of the six strategy dimensions previously outlined. Thus, in this section, CSR is explored within each dimension (Figure 1).

However, this exploration is not process-driven. That is, the interest is in how CSR might be more fully integrated into the strategy of the firm, not in what steps a firm should take to formulate strategy. In this sense, the following discussion is not sequential but rather examines the constituent components of strategy and how CSR might be built into each component. Following such an approach would be expected to lead to a tighter integration of CSR with strategy, but the purpose is not to posit the correct path to take or process to follow. “In fact, integrating CSR more fully with strategy is likely to be an emergent pattern over time, rather than a time-bound, easily prescribed path” (Carlisle and Faulkner 2004: 85).



4 Figure CSR in the context of Strategy (Galbreath, 2009: 109-127)

Firm mission is a “declaration of an organization’s fundamental purpose: why it exists, how it sees itself, what it wishes to do, its beliefs and its long-term aspirations” (Bennett 1996: 18). Thus, mission is a statement of intent. Given that mission signals to shareholders, investors, stakeholders and society a given firm’s intent (Pearce and David 1987: 86), the following aspect of the CSR-strategy relationship is offered for consideration. Since the writings of Marshall (1919, 1920), industry has been considered an appropriate level of aggregation for analyzing the role of competition in market economies (Bloch and Finch 2005: 12). Beyond a Marshallian view, Porter

(1980) identifies strategic groups and industry “clusters”, which are also important, levels in the analysis of competition. Industry, strategic groups and clusters are vital to mission development in that they give firms a baseline or starting point for identity (Peteraf and Shanely 1997: 36-39). Furthermore, industry, strategic groups and clusters give context to the various considerations for competing such as capital requirements, fixed versus variable costs, degree of rivalry, advertising, scale economies, and location, among others (Bain 1959: 16; Porter 1980: 25; Porter 1985: 14). Similarly, although some social issues may be common (e.g. energy conservation, recycling) to nearly all firms, they can be very different given a divergence of stakeholder, NGO and other social actor expectations impacting on a given industry (Logsdon and Wood 2002: 15; Davies 2003: 87; Aguilera et al. 2007: 86). Thus, a firm with the mission of building the most fuel efficient cars in the world who is, at the same time, dedicating scarce company resources to explore how to solve teenage smoking because it is a social issue, reflects a disconnect between CSR and its mission, and a disconnect between a social issue and a strategic issue for that firm. According to Porter (1996), strategy is as much about what not to do, as it is what to do – it is descriptively wrong to suggest that a given firm should address all social issues (Sethi 2003: 25). More specifically, “CSR should be strategized in the context of what the firm is trying to achieve, which takes into consideration specific actor expectations, industry and other levels of competitive reference (e.g. strategic group). Such an approach is vital to building CSR into strategy in a way that reflects its actual business importance to the firm’s mission” (Burke and Logston 1996: 35). By way of example, some firms signal that CSR is a fundamental purpose – mission – of their existence. As part of its mission, The Body Shop makes cosmetics that do not hurt animals. Here, The Body Shop has addressed a social issue – animal cruelty – through the very core of their business: developing the highest quality, innovative, effective and safe cosmetic products. Ben & Jerry’s Homemade Ice Cream, on the other hand, has a three-part mission: product, economic and social. Ben & Jerry’s mission can be further expressed through the following description:

- Capitalism and the wealth it produces do not create opportunity for everyone equally. We recognize that the gap between the rich and the poor is wider than at any time since the 1920s. We strive to create economic opportunities for those who have been denied them and to advance new models of economic justice that are sustainable and replicable.
- By definition, the manufacturing of products creates waste. We strive to minimize our negative impact on the environment.
- The growing of food is overly reliant on the use of toxic chemicals and other methods that are unsustainable. We support sustainable and safe methods of food production that reduce environmental degradation, maintain the productivity of the land over time, and support the economic viability of family farms and rural communities.

- We seek and support non-violent ways to achieve peace and justice. We believe government resources are more productively used in meeting human needs than in building and maintaining weapons systems.

- We strive to show a deep respect for human beings inside and outside our company and for the communities in which they live.

Clearly, to Ben & Jerry's, CSR is its mission. However, finding the right balance between mission and the level of CSR is not always easy. An imbalance can lead to a firm being spread too thin between its economic charter and other social responsibilities, thus raising concerns about long-term viability, given finite resources (Pearce and Doh 2005: 48).

1.5.1. Strategic issues

Building CSR in the fundamental purpose of the firm – its mission – does not necessarily happen without proper reflection and understanding of the environment (and the personal values and convictions of a firm's top leaders). Understanding the environment and its implications for the firm rests within the domain of strategy.

Andrews (1971) and Ansoff (1980) posit that issues that firms must address consist of those that are both internal and external. However, while there are many issues to consider, not all are strategic. Ansoff (1980) argues that for an issue to be strategic, it must be a forthcoming development at a level of importance such that the issue can significantly impact on a firm's ability to meet its objectives. To identify issues of this type, research and analysis, using a variety of techniques, is the prescribed course of action (Andrews 1971: 15; Porter 1980: 36). Given that the identification and understanding of strategic issues is primarily a research and analysis function of strategy, from a CSR perspective, the unit of analysis and techniques of analysis are particularly important to assess the impact of factors of a social nature.

The unit of analysis is social-related problems and issues. According to the definition of Mahon and Waddock (1992), social problems can objectively exist before they become social issues. In this sense, strategically and opportunistically, there are unmet social needs and social issues. Unmet social needs are social problems that are developing in society but have not yet been officially defined or propagated to the level of an issue by social actors or stakeholders. "On the other hand, social issues are "official" in the sense that they have reached, through various actor actions, the formal attention of governmental policy makers and corporate managers. Thus, analysis of these two social-related factors is important to address their strategic significance. In order to analyze and assess unmet social needs, a number of techniques are potentially useful. Media coverage and expert testimony, for example, are important mediums to monitor in that they can disclose early signals of unmet social needs while scenario planning is a useful technique in that it

enables firms to explore future scenarios that take into account shifts in consumer patterns, reactions of competitors and the possibility of litigation and regulation” (Kahaner 1996: 86; Swartz 1996: 56). “By example, growing concern over obesity in the US was evident in the media at least five years before the first warning by the US Surgeon General that obesity had become an epidemic” (Lawrence 2004: 96). Furthermore, expert testimony, such as that of Harvard University’s Walter Willett, explained that [childhood] obesity was in part linked to the marketing of “junk food” (Lawrence 2004: 8). Thus, “the problem of obesity was shifting from individual responsibility to external, environmental factors including corporate marketing. In the case of obesity, many fast food restaurants, for example, have been caught off guard and some lawsuits encountered as a result, damaging reputations and costing significant resources” (Burros 2006: 15). However, through techniques such as media monitoring, analysis of expert testimony and scenario planning, the shift might have been anticipated much earlier and an unmet social need identified.

1.5.2. Markets

“A market consists of the set of all actual and potential buyers of a product or service” (Kotler and Armstrong 2005: 67). However, according to Cahill (1997), for a firm to strategically address markets, they must address specific target markets. A target market is a group of buyers for whom an offering should be appropriate and to whom the firm will direct the major part of its marketing time, resources and attention. Kotler and Armstrong (2005) suggest that target marketing is about analyzing and assessing each market segment’s attractiveness and selecting one or more segments to focus on. This has ramifications for the CSR-strategy relationship.

“Assessing markets for specific target opportunities can be a complex exercise although, in general, marketing theory suggests that in order to develop market segment profiles that can be assessed strategically, a variety of variables need to be explored including demographic, geographic, psychographic and behaviorist variables” (Bearden et al. 2003: 15; Kotler and Armstrong 2005: 17). Once these variables have been assessed, choices have to be made with respect to which segments to ultimately serve. Here, evaluation includes the market potential of each segment (i.e. growth of the segment), the firm’s sales potential (i.e. market share), competitive assessment (i.e. nature of competition, competitive rivalry) and cost estimates/resource requirements (i.e. ability to achieve competitive advantage). Although simplistically described here, these are the basic requirements that marketing theory prescribes for assessing, evaluating and choosing which target markets the firm will serve. However, an additional variable needs to be considered when assessing market segments strategically; namely, a “social dynamics” variable.

Social dynamics refers to the underlying expectations that a given market segment places on the role of business in society currently or possibly in the future (thus, “dynamic” is used

to reflect the potential changing nature of societal expectations). For example, in the food and beverage industry, consumer expectations for detailed nutrition facts on packaging has risen in recent years which has implications for how products are developed and marketed. Is such demand across all food and beverage segments, or only certain ones? Similarly, in the apparel industry, more and more consumers are interested in where and how clothes are manufactured given the backlash against “sweat shop” practices, which has implications for manufacturing location, supply chain standards and employee policies. Is such interest across all apparel segments, or only certain ones?

Overall, for firm’s tomorrow adequately build CSR into strategy, the social dynamics variable becomes important in terms of understanding the current and emerging characteristics of target markets. Further, if assessing various social factors of a given market segment is important to the general understanding of that segment, and then it is also important in terms of understanding specific target customer needs.

1.5.3. Customer needs

“Some scholars have suggested that the sole purpose of any firm is to create value for the customer” (Drucker 1954: 89; Slater 1997: 85). “Although agency theory challenges such a purpose, creating value for customers is certainly a strategic function of business. How does the firm create customer value?” (Khurana et al. 2005: 83). Multiple answers have been given in the literature to answer the question. For purposes here, two key aspects are addressed:

- market orientation; and
- Innovation.

“Market orientation has been identified in the marketing and strategic management literature as important to firm strategy” (Kohli and Jaworski 1990: 52; Hult and Ketchen 2001: 86). “Market orientation, as a construct, grew out of the idea that firms who effectively implement the marketing concept will achieve better corporate performance than less market-orientated rivals” (Sheth et al. 1988: 56; Kohli and Jaworski 1990: 23; Kotler 1991: 24). Although variations exist, a general conception of market orientation includes a customer orientation dimension, a competitor orientation dimension and a market information sharing dimension. “Of particular interest is the customer orientation dimension. Customer orientation is defined as the actions designed to understand the current and latent needs of customers in the target markets served so as to create superior value for them” (Narver and Slater 1990: 42). “Here, a variety of actions are prescribed in order to learn about the current and latent needs of customers and the wider forces that shape those needs” (Day 1999: 86). As pointed out, social-related forces are increasingly shaping markets and, by extension, the customer needs that are developing.

The analysis of unmet social needs and social issues appears to be just as important to the understanding of customer needs as traditional factors, such as age, income, personality characteristics, usage rates, education, price sensitivity and the like. However, understanding target customers and their current and latent needs is not the same as creating superior value for them. In order to create superior value, firms must construct offerings that appeal to customers, are more attractive than competitors and that ultimately offer benefits that exceed the buyers payment in a purchase exchange (Zeithaml 1988: 86; Normann and Ramirez 1993: 57; Gale 1994: 82). Such offerings are the result of innovation (Slater 1997: 87).

Evolutionary/Austrian economics has long described innovation as a driving force behind economic growth and competitive success (Schumpeter 1934: 52; Nelson and Winter 1982: 86; Jacobson 1992: 23). Firms can embrace unmet social needs and social issues as a real opportunity for innovation, rather than treating them as a threat to take lightly or as factors which they can ignore. Here, by leveraging knowledge gained from target markets, target customer needs and the unmet social needs and/or social issues directly affecting those markets and customers, firms can explore the opportunity to change the competitive playing field, for example, by introducing entirely new consumer offerings, developing new processes or creating new market segments directly aimed at fulfilling an unmet social need or a social issue (Schumpeter 1934: 29; Jacobson 1992: 26; Hill and Deeds 1996: 86; Chan Kim and Mauborgne 2004: 45). In this context, a firm can fulfil its responsibilities by meeting a societal demand, while in the process creating both economic benefit and consumer utility (McWilliams and Siegel 2001: 85; Mackey et al. 2007: 56; Husted and Salazar 2006: 82).

1.5.4. Resources

A major facet of strategy is concerned with matching internal resources with a changing external environment in a way that enhances organizational performance over time (Learned et al. 1969: 82; Andrews 1971: 115; Hamel and Prahalad 1994: 90). “In terms of the internal aspect, resources have been described as activities” (Porter 1985: 82), “assets” (Dierickx and Cool 1989: 6), “core competencies” (Prahalad and Hamel 1990: 56), “capabilities” (Day 1994: 95) and “dynamic capabilities” (Teece et al. 1997: 83). “Generally, resources consist of the factors necessary to create, operate and sustain a firm, be they tangible or intangible factors” (Wernerfelt 1984: 12; Barney 1991: 26). Although many such resources exist, the important point of departure for resources in a CSR-strategy context rests with resource specificity.

Specificity refers to the degree to which resources are leveraged to capture or internalize at least some benefits for engaging in CSR that are specific to the firm, rather than simply creating collective goods which can be shared by others in the industry, community or

society at large (Rumelt 1980: 89; Porter 1985: 92). In this sense, firms not only take ownership for fulfilling their social responsibilities, but also capture exclusive benefits that can be of strategic value.

To demonstrate, assume a firm contributes money to a local symphony orchestra which benefits symphony-goers and others in the community who feel pride in or value classical music. Neither of these benefits is specific to the firm who makes the donation because there is no exclusive enjoyment (or benefit) granted to the firm. Similarly, if a firm produces chemical products and in the process uses waste water treatment technology to protect the environment, public benefits are created which are available to the entire community. Here, the firm only benefits to the extent that it also shares in a healthier environment and avoids fines or censure for failing to comply with federal pollution standards. On the other hand, consider a manufacturing firm that invests resources in cogeneration technology which recaptures heat discharged through smokestacks and converts it to energy, substituting electrical power purchased from the local utility. In this case, the benefits of cogeneration are highly specific to the firm in the form of energy costs saved. The benefit spillover to the public is the firm's contribution to aggregate energy conservation. In this example, the firm not only acts in a socially responsible manner (thereby meeting societal expectations for conserving energy), but by addressing a social issue through the use of innovative technology, also creates benefits that are highly context specific.

1.5.5. Competitive advantage

The last strategy dimension, competitive advantage (CA), is largely concerned with how a firm will compete so as to earn and sustain superior performance (Porter 1980: 82; Porter 1991: 112; Barney 1991: 86). The two dominant perspectives of CA include the positioning approach (Porter 1980: 47) and the resource-based view (RBV) of the firm (Wernerfelt 1984: 82; Barney 1991: 87). In the first instance, Porter (1980) describes two generic strategies (or positions) firms can pursue to gain, and possibly sustain, a CA: cost position and differentiation position. Essentially, the position approach to CA is concerned with producing a product at a lower unit cost than competitors, thereby generating higher returns, or with producing a product that is differentiated from competitors, one in which consumers are willing to pay a higher price.

“Considering the positioning approach in light of unmet social needs and social issues, it is possible to pursue a strategy focused on capturing a market aimed at the social dimension” (McWilliams and Siegel 2001: 54). A good example is firms who are finding ways to differentiate products in light of the obesity issue. For example, Whole Foods Market has become the largest retail food chain in the world specializing in health and organic foods. “Whole Foods Market is not only meeting the welfare of society and addressing a social issue by offering differentiated products

designed to properly nourish and maintain the health of individuals, but is consistently growing sales and profits, demonstrating that what is good for society does not have to be a burden to firms and what is good for firms does not have to be a burden to society” (Burke and Logsdon 1996: 78; Husted and Salazar 2006: 47). With respect to the RBV, the main emphasis is on creating, possibly acquiring and leveraging resources that are causally ambiguous, socially complex, difficult to imitate and that pass through critical time-dependent stages (Dierickx and Cool 1989: 57; Barney 1991: 59; Amit and Schoemaker 1993: 85). One way to create such resources is through demonstrating responsible management practices with the firm’s stakeholders (which, as noted, can include addressing unmet social needs and social issues). For example, firms who are able to engage stakeholders beyond market transactions – which can be imitated by competitors – to develop long-term relationships create socially complex, time-dependent resources based on reputation and trust; reputation and trust can enhance the value of these relationships, which is not so easily imitated by competitors (Fombrun and Shanley 1990: 41; Barney and Hansen 1994: 56). According to Barney (1991), developing socially complex, time-dependent and inimitable resources, such as stakeholder relationships, can lead to CA and be a source of superior performance. Similarly, Jones (1995) argues that firms who develop relationships with stakeholders based on honesty, mutual trust, and cooperation are in a better position to gain an advantage over firms that do not. The reason being is that developing trust and cooperation between stakeholders takes time, which in turn leads to mutually beneficial value exchanges. “Such exchanges are beneficial to the firm’s stakeholders in that they receive value in excess of the effort required to engage in the exchanges; to the firm, they gain advantages that lead to improved performance” (Jones 1995: 23; Prahalad 1997: 74). Further, the ethical characteristics of honesty and trust reduce transaction costs because fewer protective devices are needed if the firm has trustworthy agents and less time is spent in negotiation if initial claims are truthful (Williamson 1985: 75; Hosmer 1995: 59). “Thus, the costs of an option based on these characteristics are lowered, so that it may become the preferred option, especially where transaction costs are high relative to other costs. In this sense, trustworthiness has been argued to be a source of CA” (Barney and Hansen 1994: 85). Logically, this has strategic implications for the ethical responsibility of the firm per Carroll’s (1979) conceptualization of CSR. Stakeholder theory also recognizes that firms have explicit costs (e.g. payments to bondholders) and implicit costs (e.g. environmental costs, human resource costs). Stakeholder theory predicts that if firms try to lower their implicit costs by acting socially irresponsible (e.g. not investing in pollution control systems, treating employees poorly) they will actually incur higher explicit costs, which can result in a competitive disadvantage. Reflecting this logic, Alexander and Buchholz (1982) argue that demonstrating high levels of responsibility towards stakeholders is an indicator of superior management skill, which leads to lower explicit

costs. “Additionally, the actual costs of stakeholder management versus the benefits may be minimal. For example, enlightened employee management policies may have a relatively low cost, but the gains in productivity, morale and retention can yield substantial performance advantages over less responsible firms” (Huselid 1995: 74).

2. THE CORPORATE SOCIAL RESPONSIBILITY INTEGRATION INTO CORPORATE STRATEGY: REASEARCH AND PERSPECTIVES

2.1. The research methodology and organization

The problem of the research. Corporate social responsibility is a corporate ideology, policy and practice, reflecting the behavior of firms when they integrate social, environmental issues in their activities and liaising with all stakeholders in society, business and government representatives guided by respect for the individual, society and environment law. The theoretical analysis revealed the CSR integration into company's strategy options and possibilities. Nowadays organizations are seeking to follow up CSR ideas in their activities, but still there are many uncertainties about CSR integration into company's strategy.

This empirical study is going to consider how the CSR is implemented into company's activities and strategy as well the benefits of CSR for companies, employees, clients and partners are analyzed. The center of attention is on the CSR integration. There are numerous studies emphasize on the antecedents and post internationalization behavior while there is not much study to indicate the actual mechanism of CSR integration into company's strategy. The fundamental question of this study is: Why is it crucial to know how the process of CSR integration into companies activities?

Objective of the research is to determine how CSR can be built into companies' strategy.

The aim of the research is to find out how the respondents from various countries are evaluating CSR benefits to the company, the future of CSR implementation.

Methods. There are two methodological approaches or methods - quantitative and qualitative - obtainable to researchers. In the qualitative approach there is an emphasis on procedures and they are not measured in terms of quantity. In the qualitative approach there is a profound perceptiveness of the phenomenon in its circumstance. Furthermore, quantitative researchers emphasize the measurement and analysis of causal relationships between variables, not processes.

The interview method was chosen for the research. The interview method is most widely employed method in qualitative research. Telephone interviews using interview schedules are becoming increasingly efficient with developments in computer technology. It can be used as a powerful form of formative assessment. That is, it can be used to explore how a respondent feels about a particular topic before using a second method (such as observation or in- depth interviewing) to gather a greater depth of information. Structured interviews can also be used to

identify respondents whose views you may want to explore in more detail (through the use of focused interviews, for example).

The organization of the research: the research was carried out in following steps:

- The literature analysis was done concerning CSR situation, limitations and future prospects.

- The interview questions formed based on literature review;
- The selection of the companies;
- The interview arrangements;
- The results analysis and evaluation.

To gather data for the research analysis were chosen sources as primary and secondary data. I tried very hard to get interviews and got some, but then came up with the idea of supplementing with interviews from other sources and it is a reason that both categories of data were used.

- Primary data: the information that was gathered in the research are based on individually responds. The interviews were got from respondents by emails one on one. The disadvantages of this type of method that it takes time to get interviews and need to adapt to the interviewees people and it takes time to find person or company which would like to share their time and answer the questions. Many email where sent and only few replies came. The collection and analysis also require additional time.

- Secondary data: The information was collected from web sources about CSR situation in selected countries:

- History, which had an impact on CSR development;
- Very quick or slow CSR development;
- The interesting nonprofit organizations, which support and initiates CSR development into business.

Validity and reliability give the weight from scientific perspective. When carrying out the research Validity means “the extent to which measures and research findings provide accurate representation of the things they are supposed to be describing” ((Mark Easterby-Smith, Richard Thorpe, Paul Jackson, 2012: 347). Validity can be internal and external.

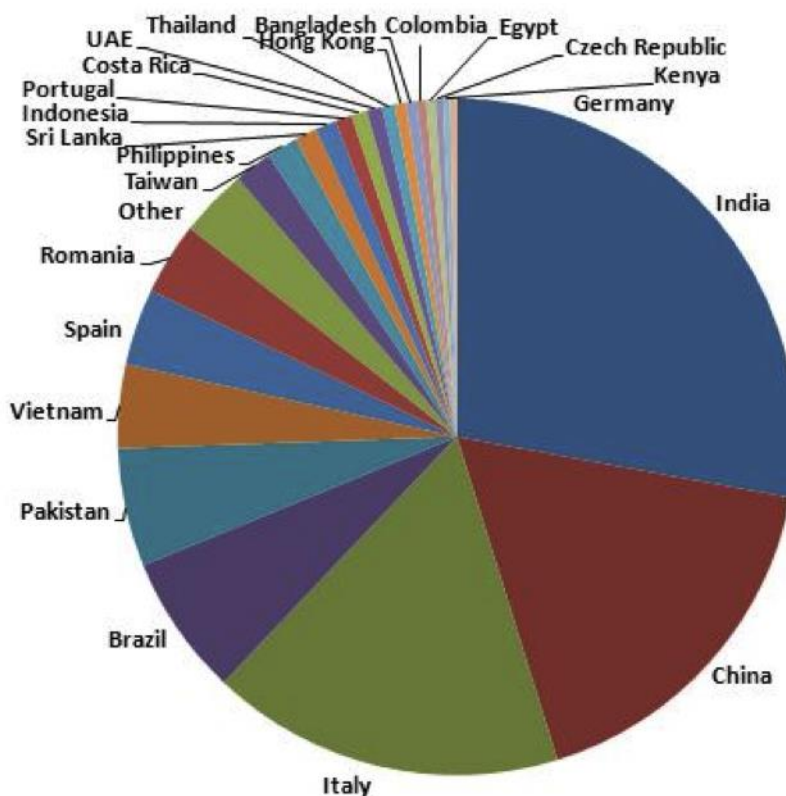
The internal validity aim is to help to assure that findings are right, in the other words “truth” and results are correct in the study. In this work is used qualitative method, a case study, the respondents were asked and each one have subjective opinion, what complicates the situation. On the other hand, interviewed people are related with CSR in business. Moreover interviews from other sources as secondary data were added that should guarantee validity for the work. It can be

noted, that CSR development started not a long time ago, what provide new findings, solutions which let easier to operate for companies which activities are related to CSR building into strategy.

The external validity presents how results from work can be adopted and used. The work focus on CSR building into company's strategy, but the findings can be used globally, because CSR benefits, limitations are the same in various countries and organizations.

2.2. CSR situation in selected countries

In this part we will discuss CSR situation in 8 selected countries – Spain, Lithuania, Greece, Pakistan, Thailand, Mexico, India and America. These countries were selected according to the religion, geographical, population, economical criteria. The most important issue was to select particular countries, which have as less as possible in common.



5 Figure CSR: 2011 Statistics. Source: Access via Internet <<http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1403#.U3uF8fmSztV>>

In 2011, over 1.6 million workers were employed in 2919 facilities, which had implemented CSR into their strategies in 621 countries, across 65 industries. The chart above demonstrates a breakdown of counties with Social Responsible facilities. Access via Internet <<http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1403#.U3uF8fmSztV>>

2 Table Number of Countries Represented By Year, % Annual Growth. Source: Access via Internet
<<http://www.saasaccreditation.org/?q=node/111>>

Number of Countries Represented by Year		% growth annually
2013	69	0%
2012	69	11%
2011	62	-5%
2010	65	3%
2009	63	-5%
2008	66	6%
2007	62	5%
2006	59	18%
2005	50	11%
2004	45	15%
2003	39	22%
2002	32	19%
2001	27	50%
2000	18	157%
1999	7	133%
1998	3	

According the table above us can be declared that during fifteen years of Economic development, humanity achievements in understanding, tolerance, human rights and freedoms ages over 730 countries in the world became Social Responsible. In 1998 there were only 3 countries, which was interested in integration of CSR into business. The biggest step upwards was reached in 2000, when number of countries, which had seen the need to integrate CSR into business strategy grew 157 percent.

As mentioned above the EC Commission's notion of corporate social responsibility is based upon a voluntary approach that goes beyond legal compliance: "the EU role does not imply the adoption of a legal framework but mainly consists in fostering corporate social responsibility among enterprises, developing the exchange of experience and good practice between enterprises and facilitating convergence and transparency of corporate social responsibility practices and tools" (EC Communication 2002: 2).

Actually most States have adopted a legislative or administrative framework in relation to disclosure of corporate ethical, social and environmental considerations. However, regulatory tools may be rather different from case to case: while some states have adopted a comprehensive set

of rules on these issues – France, Belgium – other states have only introduced a limited number of provisions – Norway, Italy, the United Kingdom, Germany, Australia, and Denmark.

Even among States that have decided to introduce a legal framework there is a different approach to regulation and the legal force of the concerned provisions on corporate social responsibility is not the same in all the studied countries. Whereas some countries have adopted binding regulations – France, the United States, Germany, Australia, Denmark, the United Kingdom, Norway – others have preferred a soft-law approach through the adoption of non-binding guidelines – that is the case of Japan, Poland and Austria. Moreover, in several countries a double approach has been chosen: binding rules co-exist with soft-law mechanisms – France, the United States, the United Kingdom, Belgium, Germany, Denmark, Norway and Italy.

The analysis of foreign companies engaged in CSR practices, it should be noted that the CSR initiatives of various companies to comply regardless of industry or the amount of capital available, nor on the nature of the activity, which is very diverse and it is engaging in a variety of benefits receivers. According to V. Gudoniene and K. Leipuviene (2007), foreign enterprises, the implementation of social responsibility concern areas such as:

- Staff learning;
- Employees (families) recreational facilities, promotion of healthy lifestyles;
- Improving the work of the psychological climate;
- Equal opportunities for development;
- Health and safety at work;
- Environmental protection and environmental impact reduction;
- Participation in community activities;
- Accountability to users and buyers;
- Transparent and ethical business promotion, etc.

2.2.1. Spain

History. Spain's powerful world empire of the 16th and 17th centuries ultimately yielded command the seas to England. Subsequent failure to embrace the mercantile and industrial revolutions caused the country to fall behind Britain, France, and Germany in economic and political power. Spain remained neutral in World War I and II but suffered through a devastating civil war (1936-39). A peaceful transition to democracy following the death of Dictator Francisco FRANCO in 1975, and rapid economic modernization (Spain joined the EU in 1986) gave Spain a dynamic and rapidly growing economy and made it a global champion of freedom and human rights. More recently the government has had to focus on measures to reverse a severe economic recession that began in mid-2008. Austerity measures implemented to reduce a large budget deficit

and reassure foreign investors have led to one of the highest unemployment rates in Europe. Access via Internet: <https://www.cia.gov/library/publications/the-world-factbook/geos/sp.html>

Social Responsibility development. With regard to the social initiatives in Spain, we can say that here, as in many other European countries, the interest in CSR is growing. According to A. Habisch, J. Jonker, M. Wegner and others (2005), the company's reputation and competitive advantage in business and industry trends in the Spanish company is treated as the main driving forces behind corporate social responsibility. However, these forces are very closely related to cultural, social and political factors, as well as each country. **The initiating organizations.** International organizations initiatives to influence the decisions of companies implementing CSR in Spain are very active. Various associations and forums that bring together leading corporate leaders, business schools and other academic institutions, NGOs and media representatives to actively promote CSR in Spain.

2.2.2. Lithuania

History. In Lithuania social responsibility organizations investigated for several years. Research is not much, but they reveal the current situation in our country. **Social Responsibility development.** For example, in 2007 Lithuania has made a unique study to assess the organization's social responsibility (OSA), the situation in Lithuania, carried out by the Lithuanian Public Policy and Management Institute (PPMI). This study is unique in that it assessed the degree of OSA and presented a detailed analysis of the OSA-law shaping factors. The study showed that civil society (which in theory should be the main driving force OSA) is still weak and dependent on a number of special projects and corporate sponsorships. The analysis of survey data, we can conclude that the Government has not yet been finally determined how to proceed in respect of OSA. It should also be noted that the OSA implementation in Lithuania is caught in a situation where society is not sufficiently organized to defend their interests, and the state - unsure. This situation is not a negative thing in the sense that the market be allowed to operate under their own interests. However, there is a negative side - the market tends to underestimate the social costs and give priority to short-term financial rather than long-term social gains. OSA theory states that companies voluntarily take socially responsible actions (Barcevicius E., Mzavanadzė N. Čiupailaitė 2007: 6).

It can be concluded that CSR is Lithuania, but, more broadly, it is plagued by two major troubles (Lialyte 2008: 24):

- Fragmentation of social responsibility programs;
- A lack of invention.

Fragmentation, according to the author is due to the fact that the market gives priority to short-term financial rather than long-term social benefit. A lack of invention relates to an inert way of thinking - if the company is already starting to think about social responsibility, all at once identified with the promotion and support of children has traditionally been a sport, or, say basketball, because the first, according to the author, seen as a vulnerable group and the second - as the people religion.

The initiating organizations. As the Lithuanian corporate social responsibility in the situation in Lithuania it could be mentioned in the Global Compact of the National Network of Responsible Business (the network), which was formally established in 2005. The network's mission - to promote responsible business development, as a condition for sustainable development in Lithuania. National Network of purpose - to promote responsible business in Lithuania, the exchange of experiences, joint training, with the benefit of the public projects, and its members on equal terms can be large and all small firms operating in a variety of fields. According to Vaitiekuniene (2008), a national network does not have a clearly defined management structure and membership fees. There is agreement that the network activity led by one of the companies - members and their term of office lasts for just six months. Since 2008 September Network led the company Aviva Lithuania.

2.2.3. Greece

History. Following the latter's defeat in 1949, Greece joined NATO in 1952. In 1967, a group of military officers seized power, establishing a military dictatorship that suspended many political liberties and forced the king to flee the country. In 1974, democratic elections and a referendum created a parliamentary republic and abolished the monarchy. In 1981, Greece joined the EC (now the EU); it became the 12th member of the European Economic and Monetary Union in 2001. In 2010, the prospect of a Greek default on its euro-denominated debt created severe strains within the EMU and raised the question of whether a member country might voluntarily leave the common currency or be removed. (<https://www.cia.gov/library/publications/the-world-factbook/geos/gr.html>).

Social Responsibility development. It can be stated that Greece at the moment is facing various problems concerning the social and economic life, as well in some aspects political changes. Such situation is affecting that many Greece companies are having the problems of unemployment, poverty, environmental pollution. And CSR is kept as the main tool for overcoming such problems. Nowadays many business people and companies are trying to incorporate CSR into company's strategy. It should be noted that corruption in the country is the main barrier for successful CSR implementation.

The initiating organizations. Despite of all problems described above, CSR in Greece is incorporated in many business organizations with help of NGO. “The Hellenic Network” for CSR which is a business – driven membership non – profit organization. Its mission is to promote the meaning of CSR to both the business community and the social environment with the overall objective being a balance between profitability and sustainable development” (Metaxas 2012: 89).

2.2.4. Pakistan

History. Pakistan remains stuck in a low-income, low-growth trap, with growth averaging about 3.5% per year from 2008 to 2013. Pakistan must address long standing issues related to government revenues and energy production in order to spur the amount of economic growth that will be necessary to employ its growing and rapidly urbanizing population, more than half of which is under 22. Other long term challenges include expanding investment in education and healthcare, adapting to the effects of climate change and natural disasters, and reducing dependence on foreign donors. Access via Internet <<https://www.cia.gov/library/publications/the-world-factbook/geos/pk.html>>

Social Responsibility development. CSR is a recent development in Pakistan. Companies’ CSR strategy is aligned with current political slogan which seldom captures the real grass – root need. CSR funds are neither allocated based on any analysis of people’s needs nor are they aligned with any espoused social value as part of long term corporate strategy. It should be noted that in Pakistan CSR takes 2 types of forms: legally imposed and trade imposed CSR. The legal issues cover the various law requirements, such as telecommunication, industrial relations, labor courts and other. Only public awareness and consumer pressure can make the industry behave in more socially responsible manner. “CSR concept, principles and practices will come of age then: all CSR types other than the truly responsive CSR strategy would cease to exist because they become socially unacceptable” (Fariduddin 2007: 54). **The initiating organizations.** There are no records of being established any CSR initiating nonprofit organization in the country.

2.2.5. Thailand

Social Responsibility development. Analyzing the CSR implementation situation in Thailand it should be noted that there is no detailed practice about when CSR started in Thailand as well there is no evidence about the motivation of business organizations to apply CSR principles. CSR in Thailand is still in an early stage of development. Many business companies are somehow involved in corporate philanthropy and volunteering in Thailand, but they may lack clear vision how to use them more strategically. “As well CSR activities in Thailand are very active: integration

of CSR in Human Resource development, CSR awards, joint annual CSR forums, and regular CSR practice surveys” (Prayukvong, Olsen 2009: 45). **The initiating organizations.** There are no records of being established any CSR initiating nonprofit organization in the country.

2.2.6. Mexico

History. In November 2012, Mexico's legislature passed a comprehensive labor reform which was signed into law by former President Felipe CALDERON. Mexico's new PRI government, led by President Enrique PENA NIETO, has emphasized economic reforms during its first year in office, passing education, energy, financial, fiscal and telecommunications reform legislation. Nevertheless, administration estimates show GDP growth slowed in 2013 to just over 1 %. Access via Internet <<https://www.cia.gov/library/publications/the-world-factbook/geos/mx.html>>

Social Responsibility development. CSR is still in an early phase in Mexico. Traditionally, enterprise managers associate CSR with corporate philanthropy, not related to the core-business of a company, and do not seek engagement with civil society. The traditional perspective of Mexican civil society is centered on legal compliance and characterized by a hostile attitude towards the private sector. The historical lack of cooperation between different sectors of society is a large obstacle for the development of CSR in Mexico. Although for a large part these traditional attitudes still persist, a slow culture change has set off among enterprises and other relevant actors. “A new CSR perspective, which defines the social responsibility of an enterprise in terms of responsibilities towards all enterprise stakeholders, has found its way from Europe to Mexico” (Weyzig 2009: 25).

Other authors noted that in Mexico, CSR is traditionally and strongly tied to philanthropy. “Ever since the times of the great pre-Colombian civilizations, society building has been deeply rooted in community values such as a sense of respect and support for others. CSR joined by business and social organizations that promote CSR practices, Mexican society demands greater commitment and co-responsibility from companies to help set the nation’s course” (Lozano 2005: 6). **The initiating organizations.** There are no records of being established any CSR initiating nonprofit organization in the country.

2.2.7. India

Social Responsibility development. India has long traditions of CSR integration. The authors proposed that CSR in India developed by main 4 phases, which comply with historical

development of India. The phases of CSR development are as follows (Chahoud, Emmerling 2007: 47):

1. Pure philanthropy and charity during industrialization. This phase is determined by culture, religion, family tradition and industrialization.

2. CSR as social development during the independence struggle. This phase was dominated by country's struggle for independence and influenced by Gandhi's theory of trusteeship, the aim of which was to consolidate social development.

3. CSR under the mixed economy paradigm. This stage is characterized by strong legal regulations of business activities.

4. CSR in a globalized world in a confused state. Integration of CSR into business strategy, adopting shareholders' approach.

"The nowadays situation in India shows that Indian business organizations are playing more wider role in the society, providing quality products at reasonable rates, making their operations environmentally friendly, adhering high labor standards. Also companies are considering CSR for improved brand image and stronger ties with local community" (Mishra, Suar 2010: 9).

2.2.8. America

Social Responsibility development. Matten and Moon (2005) pointed out the differences between the European and American models of CSR. The U.S. CSR model is characterized by the fact that corporate social responsibility is explicit in, and the European model of CSR implicit in. U.S. companies are beginning to apply CSR practices on a voluntary basis, assessing the potential benefits of these practices themselves. CSR practices in Europe is starting due to the formal and informal institutions. These American and European differences are possibly related to the countries of the continent in new economic models of social differences. United States, as well as Canadian models can be defined as a liberal - marginal, and most Western European countries except the UK, Ireland and Switzerland - as the institutional - social democratic or conservative.

2.3. Corporative social responsibility implementation analysis

The first research question analyzed the respondents' opinion about the social responsible company, what features evaluate that company is social responsible.

3 Table The respondents’ opinion about social responsible companies

Topics	Citations
Intern benefits	“Organization working as a team for reaching the goals, more motivation of employees, legal rights to employees.” B respondent “Social responsible is to make sure that services provided or goods manufactured by employees who are treated fairly and respectfully and receive compensation according to the law of the country.” E respondent “Social welfare for workers and compensation system.” G respondent “Consideration of impact of its actions on employees, customers, society and shareholders.” H respondent
External concern	“Organizing the activities of the company without damage to others, such as environment, society, government and etc.” A respondent “The company’s main concerns are as follows: economics, environment and society.” C respondent “Social responsible company cares CSR issues within organization, product development, its community and society.” D respondent “The balance between people, planet and profit.” F respondent

The research results revealed that social responsible company organizes its activities and acts in the market respecting the environmental issues, society, employees and governmental institutions opinion and advices. Other respondents noted, that company can become social responsible when all staff and employees are working together for achieving the objectives settled by top management. The core responsibility of the top managers is to provide the legal right for employees, to participate in decision making process, providing suggestions for improvement and development, as well motivation of employees is vitally important for social responsible organization. Beside this one respondent noted, that socially responsible is finding the balance between people, planet and profit (Triple P) and that this is clear for all organization’s employees, top management and shareholders. Summarizing the provided answers it could be stated that respondents fully understand the definition of social responsible company and are able to define the

main features of corporate social responsibility, where attention is paid not only to the organization, but as well environmental, society, governmental institutions issues. It should be noted that employees' participation is vital for implementation of social responsible approaches.

The other question asked the respondents' opinion about the differences between social responsibility standards implemented in company and law of the country in which company operates, which governs the right of people in the workplace.

4 Table The respondents' opinion about social responsibility and law requirements

Topics	Citations
There are differences between SR and law	“The main differences are in workload organization, safety issues, some issues like equality at work (age, gender). The main differences are found out by various cultures of the company.” A respondent “Priority should be given to the local law of the country.” B respondent “The differences depend on the scope of activities of the companies, it is obvious important to focus on national legislation.” E respondent “Some differences occur because of the size of the companies, operation areas and applied legislation.” G respondent
SR and law requirements are the same	“Differences between companies and standards.” F respondent “The social responsibility extend further legal requirements.” H respondent
Do not have an opinion	The differences were not explained by C respondent. Not indicated differences by D respondent.

The research results revealed that there are some differences concerning the law regulations and real situation in the organization. As one respondent noted, that the regulations will not always (in fact most of the time don't) cover day to day situations where workers have to be taken care for, even from themselves—many “white collar” works put on large amounts of extra work never considered which hampers their family life, even following safety regulations, some extra measure normally need to be in place to avoid accidents, issue like equality (age, gender, sexual preferences) are still not mandatory in many places, and are so imbedded in cultures that

they don't come out natural. It can be stated that still in organizations we can find not equality considering gender, age or other issues. This means that theoretically we declare the principles of social responsible company, but in practice these principles are not fulfilled. The other respondent agreed that there are many differences in environmental and social spheres. The companies declare that they are environmentally friendly, but during their activities there are many differences, companies are forgetting about air pollution problems, society needs. Some respondents noted that a lot of companies already are working not only using local legislation and also the international standards such as ISO26000, SA 8000 and others concerning the CSR implementation in the company.

The next question helped to find out the opinion about the requirements for the company to become social responsible depending on company's size, type of business and other features.

5 Table The respondents' opinion about the requirements for the company

Topics	Citations
Based by company's strategy	"There are no differences and all the aspects should be in compliance with company's strategy." C respondent "The most important thing is company's philosophy and attitude towards socially responsible operations and its actions." D respondent "The company becomes social responsible based on its values." E respondent "It's based on company goals, strategy, scope of activity proper consideration of shareholders and achievable targets." F respondent "There are no specific requirements for companies becoming social responsible." G respondent "There is no specific requirement, but it is an advantage." H respondent
Based by external parts	"It depends on many factors, like legal requirements, company size and activities." A respondent "Local law is different in the countries, but they are compulsory for all organizations." B respondent

The research results showed that legal requirements are different in various countries, but the basic rights should be complied either in large or small organizations. It means that law doesn't provide any exclusion for the different companies. Also one respondent noted, that there is no specific requirement and the companies have compromise in the companies' strategy, achieving environmental excellence and leadership is social environment. The respondents noted that the most important thing is the company's philosophy and attitudes to social responsibility, the type of business and location do not affect the social responsibility. It is necessary to outline that CSR is not only wrong or right approach, and each company becomes socially responsible based on its targets, values, approaches to business, shareholders opinion. Beside this some respondents think that there is no specific requirement, but the advantage such as better relations among employees, greater wellbeing of staff and others as well this is an advantage in competitive market leading to greater value sales.

The other research question analyzed the respondent's opinion about SA8000 standard installation necessity for implementation responsibility into company's strategy.

6 Table The respondents' opinion about SA8000 implementation

Topics	Citations
The standard is must	"Yes, it is necessary." B respondent "There are many other standards which could be implemented and used in the company." E respondent "It depends on company's self-evaluation and decision which standard could be implemented." F respondent
There is no need to be certified	"No, it is not necessary, but the standard is useful." A respondent "Absolutely no, it is only commitment of management direction." C respondent "It's not necessary, but it helps for self-evaluation." D respondent "I do not believe that standards implementation could help." G respondent "No, standard could lead to bureaucratic situation in the company." H respondent

The research results showed that there were different opinions among respondents. Some of respondents noted that there is not necessary to install SA8000 standard, but however it is

excellent platform, especially when organization is already working with management systems. One respondent noted, that SA8000 is not necessary standard for corporate social responsibility integration into company's strategy, there is necessary to make self-assessment, improvement action plan and transparent report. The research results showed that SA8000 standard helps the company to reevaluate existing operations and actions and monitor CSR activities. It should be noted that there are many other standards equivalent to SA8000 and any of these standards implementation could help to improve social responsibility situation in the company. One more respondent explained that SA 8000 is just one standard, there are many more – equally relevant – which might be suitable, this depends very much on the nature of the CSR strategy, the type (and culture) of the company, its scope of activity and any other features of organization. Summarizing it can be stated that it is not necessary to install the standards seeking to implement social responsibility into company's strategy. As well standards are useful tools, but company needs to evaluate different things such as value system, tools, create a strategic plan and standard is only the tool for revaluation of company's activities.

The respondents were asked to explain what benefits will acquire the company for installing corporate social responsibility in the context of other companies.

7 Table The respondents' opinion about social responsibility benefits

Topics	Citations
Loyalty and stability	“Employee loyalty, good opinion in press, accidents prevention.” A respondent “Social security, group insurance, bonus system.” B respondent “Sustainability of the company in the future, as well continuous improvement and innovation.” C respondent
Image and competitive advantage	“Customer awareness.” D respondent “The benefits in competitive market.” F respondent
Both	“The external image formation, attractiveness for business partners and future staff, clients.” E respondent “The better image formation, the respect from employees.” G respondent “Potential benefits for image formation in the market and attracting customers, investors and even staff.” H respondent

The results showed that social responsibility main benefits are very different. Some respondents think that because of social responsibility companies could seek better employee's loyalty, the press forms better opinion about the company and it is possible to avoid accidents. Because of social responsibility companies can guarantee better social security, as well established bonus system. Social responsibility could lead to the company's continuous improvement and innovation. It should be noted that depending on the type of CSR strategy the company aims at as well as some basic other aspects relating to the company itself, this is not about 'a one size fits all' approach; potential benefits might relate to various aspects including the overall company profile (perceived external image), attractiveness for potential business-to-business customers and (end) consumers (if applicable), increased internal efficiency/cost awareness, retention of high potential staff and attractiveness for future staff.

The next research question analyzed the benefits of social responsibility to employees.

8 Table The respondents' opinion about social responsibility benefits to employees

Topics	Citations
Material values	"Career prospects, the growing salary." B respondent
Moral values	"Better feelings at works, business ethics, and your rights are respected." A respondent "More respect and better motivation." C respondent "Employees more involved in company's activities, get more respect from top management." D respondent "Feeling that they work for the company, which cares about themselves." E respondent "Identification and commitment towards the company." F respondent "The better understanding, participation in overall company's activities." G respondent "The employees are better treated and respected." H respondent

The most important thing for employees is the respect of their rights at work. The employees have the right to explain their ideas, say the opinion about the various questions and participate in decision-making process. The working environment is warmer and each person is equally treated. Other respondent noted that social responsibility pays a lot of attention to motivation system and employees feel better motivated, see career prospects and even have better

social security system. Summarizing it can be stated that first and foremost it is about (individually) perceived identification and commitment towards the company you work for (some sort of ‘a feel good’ attitude) allowing for enhanced motivation and dedication related to one’s individual job.

The theoretical literature analysis revealed that social responsibility helps to improve various areas of companies’ activities. Respondents were asked to explain which activities or areas are improved by social responsibility.

9 Table The respondents’ opinion about social responsibility and company’s improvement

Topics	Citations
Efficiency	“Workers motivation and production efficiency.” B respondent “The better operations of the company.” H respondent
Environmental issues	“Environmental management, consumer relations, labor issues, human rights awareness.” A respondent “Social and environmental issues.” C respondent “Monitoring resources and environmental issues.” D respondent
Staff issues	“Employee moral satisfaction.” E respondent “The better understanding, engagement of all employees in company’s activities.” G respondent
Marketing issues	“The wide areas of companies’ activities, image formation, strategy formation, achievement of goals.” F respondent

The research results showed that most of respondents indicated similar areas which could be improved by social responsibility implementation. The main areas which are improved are indicated as environment management, labor issues solution, corporate governance policies, human rights respect. As well the motivation system and production efficiency of workers could be improved. The social responsibility focus on what really matters in terms of strategy, business goals, cost awareness, efficiency, understanding the really important stakeholders and their (individual) needs, staff retention and being attractive towards potential staff, ‘commercial license to operate’ (finding new business or keeping existing business), (positive) differentiation from competitors.

The research found out what benefits can feel accure to the clients and partners of socially responsible company.

10 Table The respondents' opinion about social responsibility benefits to clients and partners

Topics	Citations
Confidence	“Fair relations, transparency in management, plans and decisions making”. A respondent “Better understanding of company’s activities and commitments.” B respondent “More transparency and confidence.” C respondent “They could help to improve the company’s activities.” D respondent “They are working with the company which cares.” E respondent “Structural evaluation of needs and interaction.” F respondent “Helps to avoid misunderstanding.” H respondent
Other	“There are many areas, very difficult to summarize.” G respondent

The analysis showed that social responsibility has benefits in relations with clients and partners. The main ideas revealed by respondents were that because of social responsibility the relations are fairer, the prices are not artificially inflated. Also it should be noted that better understanding and commitments to clients are gained via social responsibility. One respondent outlined that social responsibility involve the clients and partners in the companies' activities development and continuous improvement. Such situation gives benefits to the company itself and of course to the clients and partners. As well it is necessary to outline a structurally organized way of evaluating and addressing of individual needs and close and direct interaction in a 'business partner' context besides related (positive) external exposure as being part of a CSR focused business community. Summarizing it can be stated that social responsibility is useful tool for the company's top managers, employees, partners and clients in various aspects of activities.

The other part of the questions analyzed the investments required the implementation of corporate social responsibility into company's strategy and are these investments paying off.

11 Table The respondents' opinion about necessary investments

Topics	Citations
CSR implementation require investments	"The investments for training." A respondent "Financial and human resources." B respondent "The investments for organizational changes, implementation new goals and strategy." C respondent "All the investments should be evaluated and approved." D respondent "It depends on the company type and improvement areas." E respondent "The amount of investments depend on the company type, company goals and values." F respondent
Do not have an opinion	"There are many areas, very difficult to summarize." G respondent "I am not sure about this area." H respondent

The respondents indicated that most investments go to training, there has to be a *metanoia* in all the organization so that persons will reject acts that do not build into a SR company. This is complicated, because there is a great inertia of "carrying business like usual". As well all made investments are paying off and there are millions of examples of this worldwide, companies who done this are not all SR companies, but they do SR actions that are moving them in the right path and talented people form in line at their door to get a job in there. Other respondent noted that it is necessary to have enough financial and human resources, because sometimes it is necessary to reorganize companies' activities, to find out new specialists. Another respondent agreed that investments depend on the aims, but really it is no necessary a great investment, the most important thing is to implement an organizational change in the company, establishing the CSR like a priority. As well it is necessary to evaluate each investment, to understand is it necessary and about the benefits to the company. The question of investments depends very much on the goals set by the company, which intends to implement a CSR strategy. What is the actual ambition to achieve, what is the size and scope of the company in question, what (prior) investments the company has already done in terms of internal knowledge and competence etc.

The research found out respondents opinion about the challenges companies are facing in order to be socially responsible.

12 Table The respondents' opinion about challenges

Topics	Citations
Social Responsible understanding from employees	“The misunderstanding about the CSR value and aims.” A respondent “The organizational change.” C respondent “It depends on the company type and improvement areas.” E respondent “The settlement of goals, values and strategy, development and implementation of CSR tools.” F respondent “The clear understanding of CSR, its aims, to have clearly defined plan of CSR implementation and monitoring.” G respondent “Employees, partners may not believe that company is acting as ethical.” H respondent
Social Responsible partners	“To find the socially responsible suppliers, business partners.” D respondent
Government	“Trade union, illegal requirements.” B respondent

The main challenges during the implementation of CSR are very different. Some companies could not understand the values and aims of social responsibility. As well one respondent noted that the biggest challenge is the organizational change and top management should be aware about necessary changes and be ready to implement them. One of the greatest challenges for socially responsible companies is to choose really socially responsible suppliers and monitor their activities as well to find out the business partners with the same ideas of social responsibility and having the same values and business goals. First and foremost it is about the definition of realistic goals and in alignment with the overall business goals; secondly it is about allocation of funds (financial resources) towards the various aspects of CSR (budgeting) and securing the right internal structure to develop and implement a practical CSR strategy, thirdly it is about the truthful internal assessment of the level of knowledge and competence available (and thus the decision whether or not to hire external support/consultancy), finally it is about proper definition of the need of external assessment and in- and external communication. As well it is vitally important a program and leader of the program must have a good and clear understanding of the purpose and mean for CSR. If not understood clearly, it may end up to become a paying for service and supporting someone or something not correct and or falling under CSR. The purpose of

CSR is not pay money, but to build a system and process, that will enable others to become better and stronger, to learn and grow and become a functional and independent part of society.

The other questions asked respondents to indicate the opinion about the necessity an international company implement corporate social responsibility in all of its branches by applying the same standards. All of respondents noted that it is not necessary. It depends very much on its CSR ambition and strategy, scope of activity and geographical spread of activity. It might result in in- and excluding various types of activities and the business and legal structure of the organization. An internationally active company normally adopts a CSR report (besides a financial report) and as such the GRI standard is mostly suitable. The one respondent noted, that the standards must be enough flexible to be able applied in any place. The importance is the substance of the CSR.

The other question showed respondent opinion how does socially responsible company can affect the economy of the country? Social and cultural areas?

The research showed that respondent's opinion is not significantly different. Some of respondents noted, that it will of course depend on the size of the company relative to the environment it acts on to make changes or not, i.e. if the CEO of Google, Apple, KLM, etc. makes a statement about SR it will have an immediate repercussion on its suppliers and competitors; however is an SME owner (like Joe who own the corner store near your house), will run it in a socially responsible way, the repercussions might be quite more confined and limited to his small pool of customers, his one or two employees if he has, their families and neighbors, there are very few indications that in this case his way of handling business will ripple to a larger sphere of influence. CSR oriented companies have a big impact on the notion and awareness on CSR for smaller companies and as such can put (in)direct pressure on suppliers to adopt the same attitude towards CSR, as such these companies (besides smaller companies adopting the same approach) will influence the economic business community in a positive way in terms of a new and modern way of conducting business, being more cost-effective and efficient, being more aware of the environment and energy savings besides understanding that individual staff members tend to be more motivated and committed to their business.

The last question was can a socially responsible company affect people from all over the world unification?

This is a somewhat open question. It depends on the size and scope of the company at one end, it also depends on local authorities to enhance the notion of the 'triple P' principle. In an ideal world it can, yet many factors come into play. Maybe an example helps you to understand the essence of your question. Take for instance the international clothing business as an example. Many US or European clothing brands have part of their clothing manufactured in 'low wages' countries such as India, Pakistan or Bangladesh. Local working conditions (health & safety, labor conditions

etc.) are poor by Western standards. Recent scandals in these countries helped to put these conditions on a global agenda, companies buying (semi) finished goods from these countries can't afford bad publicity and want to preserve or improve their CSR image; as a result these companies double their efforts to make sure local subcontracting companies meet basic CSR requirements, thus allowing for better conditions locally which in turn will help local labor. This is just one example of the benefits of CSR on a global scale, obviously there are many more. Trends can be made (and sometimes in the most amazing ways) we do live in an era where ideas travel fast (good ones and bad ones), 15 years ago you will not be writing a thesis on this subject, who is to blame for this change, how fast will it spread, will we end slavery by the end of the century worldwide, will we become a non-discriminating society that my great - grandchildren will enjoy, I don't know but me, you and a bunch of people are working for it to be that way, so keep up your work and your research after you finish your masters, just continue in the right track and someone will follow.

2.4. The perspectives of social responsibility integration into organization's strategy: a model of CSR environmental attractiveness and corporate strategy

In order to implement the social responsibility in the company strategy and improve social responsibility implementation and integration it is recommended to follow some principles.

Employee involvement in decision-making in order to ensure greater employee interest implementing social responsibility to encourage employees to actively participate in the decision - making process of the preparation of every weekly staff meetings, as well as at least once a month involving meetings with company management to improve employee motivation and involvement of employees in quality management and social responsibility of implementing the principles of the process.

Improving communication with the public: it is recommended for financial support under the company's capabilities for socially disadvantaged groups, to cooperate with educational institutions, non-governmental organizations in order to ensure public awareness of social issues. As well as participation in public events, projects, advising interested groups of concern to environmental and social responsibility topics.

Socially responsible behavior related to the environment: plants to encourage the use of secondary raw materials, save energy, water, fuel and other resources to sort waste. Inform the public about the environmental condition of the problems and possibilities of improving participation in various activities Environ project. It is recommended to the public release of information leaflets about the company's activities, achievements.

Corporate awareness: in order to ensure the implementation of the social responsibility of the company is recommended to improve public policy, social responsibility, respect, and promote active participation in community organizations, social, Environ work together with business institutions. It is also recommended for business organizations to share best practices on social responsibility and quality management issues.

Some examples could be taken from other countries where social responsibility has long traditions and practices.

“Germany has a long tradition of CSR in the country in national, economic and social systems, and is strictly regulated and institutionalized industrial relations effect” (Habisch, Jonker, Wegner 2005: 18). “The central role is played by CSR in German Environment Ministry” (Idowu, Filho 2008: 98). The main idea in such a relationship is that the state provides the basic conditions for the issuance of the law but does not address the specific working conditions - it is left to decide the social partners. A. Mathis (2006) concluded in his treatise that the majority of German companies (70%) see their CSR activities naturally reflecting the decision-making, for this reason as much as 66% of these companies even produce the special report on CSR.

Germany has a diverse and broadly ramified landscape of CSR initiatives, networks and competitions. While some of these are government activities, the majority have been organized by the private sector and civil society themselves. Successful corporate social responsibility requires committed enterprises which integrate CSR into their business strategies, a dynamic civil society that calls for and rewards CSR, and active public policies that formulate societal aims and establish a positive environment for CSR. Corporate social responsibility is voluntary but not arbitrary. When all societal groups shoulder their responsibility it will be possible to meet global challenges together — to the mutual advantage of economic, social and environmental goals. This triad is the key concept behind CSR.

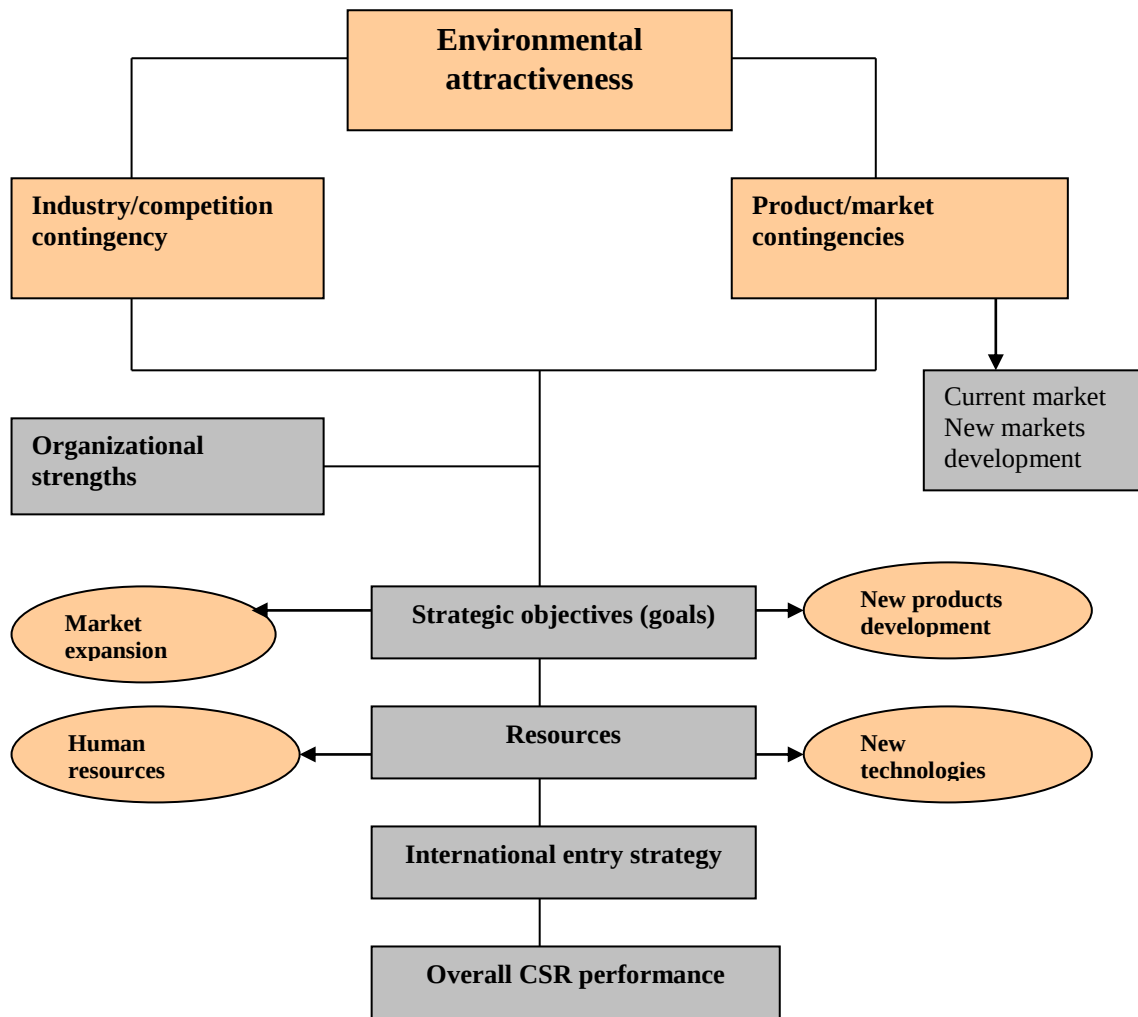
The voluntary CSR activities pursued by enterprises in Germany build on the comparatively stringent requirements that are stipulated in statutory social and environmental standards and/or in collective agreements. Responsible, global environmental and social policies that go beyond these legal and collectively-agreed requirements are already an integral part of the business strategies of many enterprises today.

Germany's CSR strategy was developed in the context of the European Union's long-term Europe 2020 strategy. Europe 2020 outlines how the European Union can emerge stronger from the current crisis and continue following the path to building a smart, sustainable and inclusive economic area with high employment and productivity levels, resource conservation and an environmentally-acceptable and climate-friendly energy supply, combined with marked social cohesion.

One important aim of the Action Plan for CSR is to instill an awareness of the fact that practicing corporate social responsibility pays off for enterprises and society: For Germany, CSR offers a means to boost the competitiveness of companies on a long-term basis and to find solutions to social challenges which could not have been achieved through policy measures alone. Particularly in times of financial and economic crisis, corporate social responsibility is important for restoring faith in business. In light of this, corporate social responsibility is to be understood as an element in a social and ecological market economy system.

Research results revealed that most of the companies are seeking to implement CSR because of better working conditions for employees, better understanding for society, implementing environmental policy and trying to work according the legal and internal company's requirements.

But usually they face with various problems such as lack of experience, the low competence of employees, not understanding the ideas and goals of CSR implementation in the company. This proposed model incorporates previous research on the entry mode in one comprehensive framework by integrating environmental aspects with competition intensity in the industry and the product/market contingencies as well CSR building into company's strategy. The company's experience and organizational strengths are also considered.



6 Figure Environmental attractiveness model for CSR integration into corporate strategy. Source: formed by the author according to literature references.

The model proposes that all aspects of organization operating should be taken into account. First of all environmental aspects, product or service characteristics should be original and suitable for foreign market and activities development and comply with CSR goals. Then company should discuss its strategic objectives (goals), which will help to expand the market and develop new product. The goals should be realistic and easily implemented using organization strengths. When company choose human resources, which will help to achieve the goals. It must be kept in mind, the most important is to create the best understanding of employees about what social responsibility is and why it is important. To develop people's understanding might help training and workshops, given opportunity to give their opinion to the top management, participation into strategic sessions, or even implemented CSR system into corporate's strategy, such as SA8000 or ISO26000 standards. When new technologies for new product is being chosen, it is necessary to pick the one, which is environmental safe, allows people to work easier in much safer workplaces or use safe raw materials. After that, company should decide the strategy of international entrances.

It might be such directions taken – use of social advertisements, actions and other social marketing aspects; the help for the city in which the site is located; have a product, which plays as a social measure and has an impact in social environment. At the end company will measure the CSR overall performance.

Generally, a full-control mode requires the highest commitment of company resources, exposes the company to the highest level of business risk, and allows the highest return on investment; while a shared-control mode requires low-to-moderate commitment of resources, exposes the company to low-to-moderate business risk, and allows the company low-to-moderate return on investment.

In this model it is necessary to take into account company's resources and capabilities to enter and act according to CSR goals and aims. Each company's specific resources include a company's capabilities, organizational culture, specialized assets, large size, reputation and business experience. Company's internationalization strategy or strategies emanate from company-specific resources; they refer to marketing options open to a company because of its resources as well as constraints that the company faces because of lack of certain resources. Company's strategy consideration is rooted in a company's resources, hence deviations from sole ownership, which is the default entry mode, according to the resource-based approach, is the result of constraints placed on the company by its resources.

Company industry capabilities refer to what a company can do with its assets. They include the cognitive processes by which the company understands and translates its valuable tangible assets into action; they are superior managerial skills and knowledge often embodied in and jointly provided by employees of the company. As well they could help for the company to be recognized in competitive market among competitors. Extensive experience in international business can be a potential source of competitive advantage for a company.

The size of a company is often an indicator of its competitive advantage in financial, physical, human, technological, or organizational resources. Company size places a constraint on what a company can do. Large company size reflects an ability to absorb the high costs and risks involved in international expansion through sole ownership of foreign affiliates. A positive reputation implies that an organization has a good name and is highly regarded. Good reputation is a key asset that can also be a sustainable competitive advantage for the company. The model shows that first of all company must evaluate its potential strengths, then form the internationalization strategy based on company's resources and capabilities.

In summary, in order to increase efficiency of CSR implementation required complex instruments. Implementation of measures to provide unified state policies, businesses, and state and

community efforts to improve public policy, intensifying public participation in the social and environmental decision.

CONCLUSIONS AND SUGGESTIONS

The analysis of corporate social responsibility definition revealed that all the authors of the corporate social responsibility understand quite similar, but different definitions of specification are provided. It is therefore possible to form such a definition: Corporate Social Responsibility - the entrepreneurial attitude to taking responsibility for their actions in business and positively influenced society in the social, economic and environmental aspects. This definition includes companies that choose to go beyond the minimum legal requirements and obligations seeking to meet growing social needs. Because companies of all sizes, being socially responsible and in cooperation with its shareholders can help reconcile economic, social and environmental safeguards. In this view the concept of corporate social responsibility is based on the idea that the company's responsibility is more than just strict legal and regulatory compliance statutes.

Corporate social responsibility in the organization refers to the whole concept of action in which the organization seeks to establish and maintain a relationship with all interested groups. Such an understanding of corporate social responsibility analysis shows the concept of attitude for interpretation, which is particularly revealed in the analysis of different authors, investigating the social responsibility aspects of the intended meaning and interpretation.

In 2011, over 1.6 million workers were employed in 2919 facilities, which had implemented CSR into their strategies in 621 countries, across 65 industries.

During fifteen years of Economic development, humanity achievements in understanding, tolerance, human rights and freedoms ages over 730 countries in the world became Social Responsible. In 1998 there were only 3 countries, which was interested in integration of CSR into business. The biggest step upwards was reached in 2000, when number of countries, which had seen the need to integrate CSR into business strategy grew 157 percent.

Summarizing countries' overview it can be stated that:

1. With regard to the social initiatives in Spain, we can say that here, as in many other European countries, the interest in CSR is growing. International organizations initiatives to influence the decisions of companies implementing CSR in Spain are very active. Various associations and forums that bring together leading corporate leaders, business schools and other academic institutions, NGOs and media representatives to actively promote CSR in Spain.
2. Government has not yet been finally determined how to proceed in respect of organization social responsibility (OSA). It should also be noted that the OSA implementation in Lithuania is caught in a situation where society is not sufficiently organized to defend their

interests, and the state - unsure. As the Lithuanian corporate social responsibility in the situation in Lithuania it could be mentioned in the Global Compact of the National Network of Responsible Business (the network), which was formally established in 2005. The network's mission - to promote responsible business development, as a condition for sustainable development in Lithuania.

3. It can be stated that Greece at the moment is facing various problems concerning the social and economic life, as well in some aspects political changes. Such situation is affecting that many Greece companies are having the problems of unemployment, poverty, environmental pollution. And CSR is kept as the main tool for overcoming such problems. Despite of all problems described above, CSR in Greece is incorporated in many business organizations with help of NGO. "The Hellenic Network" for CSR which is a business – driven membership non – profit organization.
4. CSR is a recent development in Pakistan. Companies' CSR strategy is aligned with current political slogan which seldom captures the real grass – root need. CSR funds are neither allocated based on any analysis of people's needs nor are they aligned with any espoused social value as part of long term corporate strategy.
5. Analyzing the CSR implementation situation in Thailand it should be noted that there is no detailed practice about when CSR started in Thailand as well there is no evidence about the motivation of business organizations to apply CSR principles. CSR in Thailand is still in an early stage of development.
6. The traditional perspective of Mexican civil society is centered on legal compliance and characterized by a hostile attitude towards the private sector. The historical lack of cooperation between different sectors of society is a large obstacle for the development of CSR in Mexico.
7. India has long traditions of CSR integration. The authors proposed that CSR in India developed by main 4 phases, which comply with historical development of India.
8. U.S. companies are beginning to apply CSR practices on a voluntary basis, assessing the potential benefits of these practices themselves. CSR practices in Europe is starting due to the formal and informal institutions. These American and European differences are possibly related to the countries of the continent in new economic models of social differences.

Summarizing research results it can be stated that:

1. First and foremost it is about (individually) perceived identification and commitment towards the company you work for (some sort of 'a feel good' attitude) allowing for enhanced motivation and dedication related to one's individual job;

2. The company must focused on medium and long term issues as well as those in the short term, to consider the impact of its actions on employees, customers, society and wider stakeholders in a way which minimizes harm and maximizes benefits.
3. CSR functions only if the intention is clear and meant to assist and support others.
4. The benefits of CSR are supposed to be to 'give' to others and in need, to share ones efforts and having gained win and success, while sharing a small portion and amount on a routine and scheduled basis, through CSR program.

CSR is a source for competitive advantage, therefore it has to be integrated into corporate strategy using this elements:

1. **Environmental aspects.** Product or service characteristics should be original and suitable for foreign market and activities development and comply with CSR goals.
2. **Strategic objectives (goals),** which will help to expand the market and develop new product. The goals should be realistic and easily implemented using organization strengths.
3. **Human resources,** which will help to achieve the goals. To develop people's understanding might help training and workshops, given opportunity to give their opinion to the top management, participation into strategic sessions, or even implemented CSR system into corporate's strategy, such as SA8000 or ISO26000 standards.
4. **New technologies** for new product is being chosen. It is necessary to pick the one, which is environmental safe, allows people to work easier in much safer workplaces or use safe raw materials.
5. **Strategy of international entrances.** It might be such directions taken – use of social advertisements, actions and other social marketing aspects; the help for the city in which the site is located; have a product, which plays as a social measure and has an impact in social environment.

In order to implement the social responsibility in the company strategy and improve social responsibility implementation and integration it is recommended to follow some principles:

1. Employee involvement in decision-making in order to ensure greater employee interest implementing social responsibility to encourage employees to actively participate in the decision -making process.
2. Improving communication with the public: it is recommended for financial support under the company's capabilities for socially disadvantaged groups, to cooperate with educational institutions, non-governmental organizations in order to ensure public awareness of social issues. As well as participation in public events, projects, advising interested groups of concern to environmental and social responsibility topics.

3. Socially responsible behavior related to the environment: plants to encourage the use of secondary raw materials, save energy, water, fuel and other resources to sort waste. Inform the public about the environmental condition of the problems and possibilities of improving participation in various activities Environ project.
4. Corporate awareness: in order to ensure the implementation of the social responsibility of the company is recommended to improve public policy, social responsibility, respect, and promote active participation in community organizations, social, Environment work together with business institutions.

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